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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
08/674,726	07/02/96	MOSKOWITZ	S 2377/11

LM02/0608

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EXAMINER	
LUTHER, W	
ART UNIT	**PAPER NUMBER**
2731	2

DATE MAILED: 06/06/00

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

C (Rev. 2/95)

1- File Copy

Office Action Summary

Application No.	Applicant(s)
08/674,726	MOSKOWITZ
Examiner	**Group Art Unit**
William Luther	2731

☒ Responsive to communication(s) filed on *Mar 31, 2000*

☒ This action is **FINAL.**

☐ Since this application is in condition for allowance except for formal matters, **prosecution as to the merits is closed** in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11; 453 O.G. 213.

A shortened statutory period for response to this action is set to expire *3* month(s), or thirty days, whichever is longer, from the mailing date of this communication. Failure to respond within the period for response will cause the application to become abandoned. (35 U.S.C. § 133). Extensions of time may be obtained under the provisions of 37 CFR 1.136(a).

Disposition of Claim

☒ Claim(s) *3-6 and 16-22* is/are pending in the applicat

Of the above, claim(s) _____ is/are withdrawn from consideration

☐ Claim(s) _____ is/are allowed.

☒ Claim(s) *3-6 and 16-22* is/are rejected.

☐ Claim(s) _____ is/are objected to.

☐ Claims _____ are subject to restriction or election requirement.

Application Papers

☐ See the attached Notice of Draftsperson's Patent Drawing Review, PTO-948.

☐ The drawing(s) filed on _____ is/are objected to by the Examiner.

☐ The proposed drawing correction, filed on _____ is ☐ approved ☐ disapproved.

☐ The specification is objected to by the Examiner.

☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. § 119

☐ Acknowledgement is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d).

☐ All ☐ Some* ☒ None of the CERTIFIED copies of the priority documents have been

☐ received.

☐ received in Application No. (Series Code/Serial Number) _____ .

☐ received in this national stage application from the International Bureau (PCT Rule 17.2(a)).

*Certified copies not received: _____

☐ Acknowledgement is made of a claim for domestic priority under 35 U.S.C. § 119(e).

Attachment(s)

☐ Notice of References Cited, PTO-892

☐ Information Disclosure Statement(s), PTO-1449, Paper No(s). _____

☐ Interview Summary, PTO-413

☐ Notice of Draftsperson's Patent Drawing Review, PTO-948

☐ Notice of Informal Patent Application, PTO-152

— SEE OFFICE ACTION ON THE FOLLOWING PAGES —

DETAILED ACTION

1. This action is in response to 3/21/00 (paper 20)(20). Examiner is happy to provide further clarification of the current and maintained rejection under Section 112's written description requirement.

Examiner appreciates applicant's concerns described in paper no. 20. However, examiner is merely asking for help in understanding the pending claim language with respect to the prior art. For example, the pending claims appear to be directed toward so called 'method of doing business subject matter' a category of subject matter previously not considered patentable [by the PTO] until the Federal Circuit recently recognized 'methods of doing business' as patentable (i.e. State Street).

Notwithstanding, PTO resources for searching such kind of subject matter are limited (i.e. the percentage of available art on business methods that is incorporated into patent literature is small, and most non-patent art is not readily available for full-text search)(examiners must rely principally on non-patent literature which is not organized into the efficient search tool provided by the U.S. classification system).

Moreover, in March of this year 2000, the U.S. House Judiciary Subcommittee on Courts and Intellectual Property had a hearing. Therein, New York University School of Law Professor Rochell Dreyfuss testified that for business method patents "the PTO needs, at the very least, better access to business literature". Though Dreyfuss took issue with some of the changes in

patent law regarding business method patents, "if the business method patents that issued were all valid, I might not be so concerned-- after all, someone who invents a significant new business method **deserves** a special reward....[T]he problem, however, is that not all of these patents are valid," said Dreyfuss. "Judging from the references cited in issued patents, much of the prior art that is relevant to determining validity is never seen by the PTO". (emphasis added).

Hence in view of the above examiner requests: applicants' patience in understanding the subject matter of the pending claims; any further material information focused on the method of doing business aspects of the pending claims. Clarification of issues, not new to the instant prosecution, are explained in more detail below as requested per 20.

Claim Rejections - 35 U.S.C. § 112

2. The following is a quotation of the first paragraph of 35 U.S.C. 112:

> The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, **clear, concise, and exact terms** as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention. (Emphasis added).

3. Claims 3-6 and 16-22 are rejected under 35 U.S.C. 112, first paragraph, as containing subject matter which was not described in the specification in such a way as to reasonably convey

to one skilled in the relevant art that the inventor(s), at the time the application was filed, had possession of the claimed invention.

Applicant has identified support for the claim term "bandwidth resource" in paper 18 (18), wherein the describe it is "available transmission resource for transmitting digital information packets (DIPs)...[which]..may include copper, coaxial, fiber optic, etc" (18 page 8 last paragraph). Later, applicant alleges "DIPs, **which are known in the art**, "create an advertising, distribution, and pricing device which allows for the dissemination of references to and description of particular titles available electronically" (emphasis in the original)(18 page 9 first paragraph, citing original disclosure page 25 lines 3-6). Applicant go on to allege that "DIPs **may** include at least two of any of the following three elements: a digital watermark key, a DIP header, and a bandwidth securitization instrument (bandwidth right). The DIP header describes the content, its address, pricing, and distribution. The bandwidth right is unique in its instance but also varies according to network bandwidth availability for a given period of time and the duration of the actual use of bandwidth on said network. Appl'n, page 56, lines 15-23" (emphasis added).

However, applicant appears to be alleging that the pending claim language is a later combination, or a mixing and matching of the earlier described (i.e. on 7/2/96) best mode embodiment and the earlier described prior art but submitted in a later presented claim (7/2/98).

However, applicant appears to be alleging that the pending claim language is a later combination, or a mixing and matching of the earlier described (i.e. on 7/2/96) best mode embodiment and prior art.

Notwithstanding applicant alleges "a "bandwidth securitization instrument," or a "bandwidth right" is an element of the DIP (18 page 9 paragraph 2).

Additionally, applicant alleges "claims 17, 19-20, and 22 recite "wherein the bandwidth securitization instrument is a cryptographically secure computer record.". Appl'n, claims 17, 19-20, and 22. Claim 21...recites "wherein said step of assigning a value is performed according to the equation V = (1-Pf)(VI + VT + VC), where V represents the value, Pf represents the probability of failure, VI represents the minimum standard price, VT is a value associated with the exercise period and VC represents a convenience premium....The NASDAQ prior art fails to disclosure or suggest these limitations." (i.d. page 10).

Moreover, applicant alleges that "it is an object of this invention to create a trading instrument which will break bandwidth resources into discrete, usable component pieces, and allow an electronic market system to set a price of this scarce commodity which sets an equilibrium level of supply and demand" (i.d. page 8 last paragraph).

For the purposes of further clarification and advancement of prosecution, applicant is requested to identify which of the originally conveyed embodiments he believes support each independent pending claim (i.e. is independent claims 'generic to', or 'limited to' which originally disclosed embodiment/s). Moreover, applicant is requested to further explain with respect to the 10/14/99 allegations.

4. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

5. Any inquiry concerning this communication or earlier communications from the examiner should be directed to William Luther whose telephone number is (703) 308-6609.

William Luther
Primary Examiner
June 5, 2000